

QUESTIONNAIRE FOR FILING PROPOSED RULES WITH
THE ARKANSAS LEGISLATIVE COUNCIL AND JOINT INTERIM COMMITTEE

DEPARTMENT/AGENCY Education
DIVISION Public School Finance
DIVISION DIRECTOR Patricia Martin
CONTACT PERSON Patricia Martin
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INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire & financial impact statement attached to the front of two (2) copies of your proposed rule and required documents. Mail or deliver to:

Donna K. Davis
Subcommittee on Administrative Rules and Regulations
Arkansas Legislative Council
Bureau of Legislative Research
Room 315, State Capitol
Little Rock, AR 72201

- 1. What is the short title of this rule? **Repeal of Rules and Regulations Governing the Distribution of Poverty Index Funds**
- 2. What is the subject of the proposed rule?
To repeal Rules and Regulations Governing the Distribution of Poverty Index Funds.
- 3. Is this rule required to comply with federal statute or regulations? Yes _____ No X
If yes, please provide the federal regulation and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedures Act?
Yes _____ No X
If yes, what is the effective date of the emergency rule?

When does the emergency rule expire?

Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes _____ No _____

5. Is this a new rule? Yes _____ No X If yes, please provide a brief summary explaining the regulation.

Does this repeal an existing rule? Yes X No _____ If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes _____ No X If yes, please attach a markup showing the changes in the existing rule and a summary of the substantive changes. **NOTE: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law grants the authority for this proposed rule. If codified, please give Arkansas Code citation. Act 1549 of 1999, Section 19(f). In accordance with Act 1549 of 1999, Section 19(d)(2), this Rule and Regulation shall expire June 30, 2005.

7. What is the purpose of this proposed rule? Why is it necessary? **To repeal Rules and Regulations Governing the Distribution of Poverty Index Funds.**

8. Will a public hearing be held on this proposed rule? Yes X No _____
If yes, please complete the following:

Date: May 12, 2004

Time: 1-4 PM

Place: ADE Auditorium, Little Rock, AR

9. When does the public comment period expire for permanent promulgation? (Must provide a date.)

May 13, 2004

10. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2004

11. Do you expect this rule to be controversial? Yes _____ No X
If yes, please explain.

12. Please give the names of persons, groups, or organizations that you expect to comment on these rules. Please provide their position (for or against) if known.

- **Arkansas Association of Educational Administrators**
- **Arkansas School Boards Association**
- **Arkansas Association of School Business Officials**
- **Arkansas Education Association**
- **Arkansas Education Service Cooperatives**

SUMMARY

This rule is being repealed.

FINANCIAL IMPACT STATEMENT

DEPARTMENT Education
DIVISION Public School Finance
PERSON COMPLETING THIS STATEMENT Patricia Martin
TELEPHONE NO. 682-5124 FAX NO. 682-9035 EMAIL pmartin@arkedu.k12.ar.us

To comply with Act 1104 of 1995, please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE

Repeal of Rules and Regulations Governing the Distribution of Poverty Index Funds.

1. Does this proposed, amended, or repealed rule or regulation have a financial impact? Yes _____ No X
2. If you believe that the development of a financial impact statement is so speculative as to be cost prohibited, please explain.
3. If the purpose of this rule or regulation is to implement a federal rule or regulation, please give the incremental cost for implementing the regulation. Please indicate if the cost provided is the cost of the program.

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

4. What is the total estimated cost by fiscal year to any party subject to the proposed, amended, or repealed rule or regulation? Identify the party subject to the proposed regulation and explain how they are affected.

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

5. What is the total estimated cost by fiscal year to the agency to implement this regulation?

Current Fiscal Year

\$ _____

Next Fiscal Year

\$ _____

DEPARTMENT OF EDUCATION
FISCAL IMPACT STATEMENT OF PROPOSED REGULATION
(In compliance with Acts 884 and 1253 of 1995)

Regulation Title: **Repeal of Rules and Regulations Governing the Distribution of Poverty Index Funds.**

Summary Description of Regulatory Proposal: **To repeal Rules and Regulations Governing the Distribution of Poverty Index Funds.**

Cite Statutory Authority for this Regulatory Proposal:

- I. Fiscal Impact on the Department: (include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space.
 - B. Time Required for Implementation.
 - C. Procedural Changes.
 - D. Other.
- II. Fiscal Impact on Local School District or Others? (Include whether impacts are non-recurring or recurring)
 - A. Resources Required - Personnel, equipment, office space.
 - B. Time Required for Implementation.
 - C. Procedural Changes.
 - D. Other.
- III. Additional Comments.

Prepared by: Patricia Martin
Assistant Director, Public School Finance
April 12, 2004

**~~ARKANSAS DEPARTMENT OF EDUCATION
RULES AND REGULATIONS
GOVERNING THE DISTRIBUTION OF
POVERTY INDEX FUNDS~~**

~~July 29, 1999~~

~~1.00~~ — ~~REGULATORY AUTHORITY~~

~~1.01 These rules and regulations shall be known as the Arkansas Department of Education Rules and Regulations Governing the Distribution of Poverty Index Funds.~~

~~1.02 These rules and regulations are enacted pursuant to the State Board of Education's authority under Act 1549 of 1999, Section 19(f).~~

~~2.00~~ — ~~PURPOSE~~

~~The purpose of these rules and regulations is to establish a funding mechanism for the distribution of Poverty Index Funds to eligible public schools.~~

~~3.00~~ — ~~DEFINITIONS~~

~~— 3.01 The Department. The Arkansas Department of Education~~

~~3.02 Poverty Index Funding. Established by Act 1549 of 1999, Section 19(d)(1). Funding for students with low socio-economic status, either living in areas with high concentrations of low income families or from low income families as indicated by eligibility for the free or reduced lunch program. These funds shall be used only for early intervention strategies sanctioned by the Department in reading and writing literacy or mathematics for students in Pre-Kindergarten through Grade 1.~~

~~3.03 Eligible School. A public school that qualifies for Poverty Index Funds based on its percent of F&R exceeding the minimum poverty index level.~~

~~3.04 Qualified School. An eligible school that has received approval of its Poverty Index Program Plan from the School Improvement Section of the Department.~~

- ~~3.05 Poverty Index Program Plans (PIPP). Plans that are submitted to the Department by an eligible school. The Plan shall be incorporated within the eligible school's Arkansas School Improvement Plan and will contain the program details to ensure that students are provided educational opportunities that are research based, and are linked to other successful school programs and activities. The Plan shall also contain a proposed budget.~~
- ~~3.06 Arkansas School Improvement Plan (ASIP). The individual school's comprehensive plan based on priorities indicated by assessment and other pertinent data and designed to ensure that all students demonstrate proficiency on all portions of state mandated criterion referenced assessments.~~
- ~~3.07 Pre Kindergarten. A program developed for children between the ages of three (3) and five (5) years old.~~
- ~~3.08 Kindergarten Membership (K). The number of students in Average Daily Membership in Kindergarten on October 1 of each year.~~
- ~~3.09 Grade 1 Membership (Grade 1). The number of students in Average Daily Membership in Grade 1 on October 1 of each year.~~
- ~~3.10 Free or reduced price lunch eligible students (F&R). For the 1999-2000 fiscal year only, the number of free and reduced price lunch eligible students will be the number of students in Grades K and 1 eligible for the free and reduced price lunch program as reported to the Department in December 1998 on the K-4 Free and Reduced Lunch Response Form. Beginning in the 2000-2001 fiscal year, and each year thereafter, free or reduced price lunch eligible students will be the number of students in Grades K and 1 counted in the free or reduced price lunch program as of October 1 of each year.~~
- ~~3.11 Eligible Student. A child who is at least 3 years old and participating in an approved activity or is enrolled in Grades K or 1 in an eligible public school.~~
- ~~3.12 Percent of F&R. The total number of F&R divided by the Grades K and 1 Membership.~~
- ~~3.13 Exceeding minimum requirements. Any program and/or activity that exceeds the requirements of State law, State education~~

~~standards, State Board of Education rules and regulations, and Department guidelines.~~

~~4.00 POVERTY INDEX PROGRAM PLAN APPROVAL PROCESS~~

- ~~4.01 For the 1999-2000 fiscal year, the Assistant Director for the School Improvement Section of the Department will notify school districts of their eligibility by August 30, 1999. This notification will include the 1999 Statement of Assurance on the use of Poverty Index Funds (Statement of Assurance). Each eligible school shall submit the Statement of Assurance to the School Improvement and Instructional Support Section by November 1, 1999. The School Improvement and Instructional Support Section shall review the Statement of Assurance from each eligible district, and provide a list of the names of the school with approved Statements of Assurance to the Public School Finance Section by December 31, 1999. The Public School Finance Section shall distribute half of the funds subsequent to approval of these rules and regulations, and the remaining half subsequent to approval of the Statement of Assurance by the School Improvement and Instructional Support Section.~~
- ~~4.02 The Assistant Director for School Improvement Section of the Department will establish a committee to review PIPPs from schools and make recommendations to approve them. If approval is not recommended, the Department's School Improvement Unit shall provide technical assistance to assist in developing an acceptable Plan.~~
- ~~4.03 The Public School Finance Section of the Department shall provide a list of the names of the schools eligible for Poverty Index Funds to the School Improvement and Instructional Support Section by March 31 of each year.~~
- ~~4.04 Each eligible school shall submit a PIPP, within the school's comprehensive school improvement plan, to the School Improvement and Instructional Support Section by May 30 of each year.~~
- ~~4.05 Upon review of the PIPP, the School Improvement and Instructional Support Section shall provide a list of the names of the qualified schools to the Public School Finance Section by July 31 of each year.~~

~~5.00~~ — ~~CALCULATION OF POVERTY INDEX FUNDING~~

~~5.01 Poverty Index Funding shall be calculated using the following data elements from the previous fiscal year:~~

- ~~5.01.1 Kindergarten membership~~
- ~~5.01.2 Grade 1 membership~~
- ~~5.01.3 Kindergarten F&R~~
- ~~5.01.4 Grade 1 F&R~~

~~5.02 For each public school in the state, a poverty index shall be calculated equal to the percent of F&R.~~

~~5.03 Each fiscal year, the Director of the Department shall establish the minimum poverty index level. No school with a poverty index less than the minimum level shall be eligible for Poverty Index Funds.~~

~~5.04 After the determination of the minimum poverty index level, a funding factor shall be established. The funding factor shall be equal to the amount of funds budgeted by the State Board of Education for Poverty Index Funding, divided by the sum of Grades K and 1 membership for all schools with a percent of F&R equal to or greater than the minimum poverty index level.~~

~~5.05 The amount of Poverty Index Funds that a qualified school shall receive is equal to the product of the total Grades K and 1 membership times the funding factor calculated in Section 5.04.~~

~~6.00~~ — ~~DISTRIBUTION OF FUNDS~~

~~6.01 Only those eligible schools that have a PIPP approved by the School Improvement and Instructional Support Section shall receive Poverty Index Funds.~~

~~6.02 The Funds shall be distributed to school districts in two payments.~~

~~6.03 The Funds shall be distributed to the school district, with the qualified school and amount of funds identified by LEA number.~~

~~6.04 The funding schedule shall be set on or before July 1 of each year, in compliance with Act 1549 of 1999, Section 16.~~

~~6.05 For monitoring purposes, the school district shall account for the Funds with a source of funds code and revenue code specified by the Department.~~

~~7.00~~ **RESTRICTED USE OF FUNDS**

~~7.01 Funds received by a school shall be restricted to the purposes detailed in the approved PIPP.~~

~~7.02 Moneys distributed shall be exempted from inclusion in calculations of Additional Base Funding (*Ark. Code Ann. §6-20-303*) and the Federal Range Ratio (*34 C.F.R. § 222.61, et seq. (1994)*) under the exemption provision for revenues generated for students with low socio-economic status. (*See: 34 C.F.R. § 222.63(c)(3) (1994)* and *Ark. Code Ann. § 6-20-308(a) (Supp. 1997)*)~~

~~7.03 Schools may carry balances over from one fiscal year to the next. These balances shall be accounted for in the school's PIPP, and shall be restricted to approved activities.~~

~~7.04 Funds may be pooled within a district or among districts. However, funds shall only be used to benefit students in an eligible public school or as defined in its PIPP.~~

~~7.05 Any additional personnel to be employed by the school under an approved PIPP should hold an appropriate Arkansas teaching license or be exceptionally well qualified in the field of early childhood education. The qualifications for any person to be employed shall be submitted to the School Improvement and Instructional Support Section of the Department for review and approval. Other job related education, training, and/or experience may be substituted for all or part of these basic requirements upon approval by the Department.~~

~~7.06 Funds shall be used for activities designed to increase student achievement in reading, writing, and mathematics in Pre-Kindergarten through Grade 1.~~

~~7.07 Specific activities exceeding minimum requirements eligible for Poverty Index Funding, subject to Department approval, include, but are not limited to:~~

- ~~7.07.1 Hiring Literacy and/or Mathematics Specialists~~
- ~~7.07.2 Hiring Literacy Coaches~~

- ~~7.07.3 Providing Professional Development in the areas of reading and writing literacy or mathematics~~
- ~~7.07.4 Purchasing computers and/or software, or other improvements in technology to assist in instructional activities.~~
- ~~7.07.5 Establishing before and after school instructional activities~~
- ~~7.07.6 Extending school year instructional activities~~
- ~~7.07.7 Establishing, maintaining or expanding Pre-Kindergarten through Grade 1 programs~~

~~8.00 SCHOOL CLOSINGS, CONSOLIDATIONS, OR MERGERS~~

- ~~If a qualifying public school closes, consolidates, or merges after the enrollment and F&R data are collected, but prior to the distribution of funds, the funds allocated to that school shall be distributed to the school district. The superintendent of that district shall develop a specific proposal for the use of these funds. This proposal shall be submitted to the School Improvement and Instructional Support Section. The funds shall be restricted to approved activities. The funds shall not be distributed until the budget and activities have been approved.~~

~~9.00 POVERTY INDEX PROGRAM MONITORING~~

~~Regular monitoring activities of the Poverty Index Program with these Rules and Regulations shall occur annually when the Standards Assurance Unit directly monitors schools and when the School Improvement Planning Unit assists schools in development of its ASIP.~~

~~10.00 REPEALING CLAUSE~~

~~In accordance with Act 1549 of 1999, Section 19(d)(2), this Rule and Regulation shall expire June 30, 2005.~~